GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1157
ANSWERED ON:24.10.2008
SHARING OF REVENUE LOSSES
Reddy Shri Mekapati Rajamohan

Will the Minister of FINANCE be pleased to state:

(a) whether some State Governments have requested the Union Government to share part of revenue loss caused by tax and duty reduction on fuels;and

(b) if so, the details thereof and response of the Union Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) Yes,Sir.State Governments through Empowered Committee of State Finance Ministers (EC) had requested the Union Government to share part of revenue forgone by them due to reduction of tax and duties on fuels.

(b) The States had requested through the EC that the Government of India should compensate at least 50 percent of the losses likely to be incurred by the States,which were estimated to be Rs. 8,000 crore for the ten month period from June 2008 to March 2009.The Union Government had examined the request and did not find it justified.